

**PUBLIC DISCLOSURE**

**April 21, 2014**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Randolph Savings Bank**

**90270**

**10 Cabot Place**

**Stoughton, Massachusetts 02072**

**Division of Banks**

**1000 Washington Street, 10<sup>th</sup> Floor**

**Boston, Massachusetts 02118**

**Federal Deposit Insurance Corporation**

**350 Fifth Avenue, Suite 1200**

**New York, New York 10118**

<p><b>NOTE:</b> This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate- income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.</p>
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## GENERAL INFORMATION

*The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) and the Federal Deposit Insurance Corporation (FDIC) to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting the credit needs of its community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.*

*This document is an evaluation of the CRA performance of **Randolph Savings Bank (or the Bank)**, prepared by the Division and the FDIC, the institution's supervisory agencies, as of **April 21, 2014**. The agencies evaluate performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division and FDIC rate the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00 and in Appendix A to 12 CFR Part 345.*

### **INSTITUTION'S CRA RATING:**

**The Division and the FDIC rated the Bank “Satisfactory.”**

The Bank has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income individuals and neighborhoods, in a manner consistent with its resources and capabilities. The Division and the FDIC based the assigned rating on the results of two performance tests: the Lending Test and the Community Development Test. We have summarized the Bank's performance under each of these two tests below:

#### **Lending Test Rating: Satisfactory**

- The Bank's average net loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and combined assessment area's credit needs.
- The Bank originated a majority of its home mortgage loans within the Bank's combined assessment area.
- Given the demographics of the combined assessment area and product lines offered, the distribution of home mortgage loans reflects excellent penetration among borrowers of different income levels.
- The geographic distribution of home mortgage loans reflects a reasonable dispersion throughout the combined assessment area.
- The Division, the FDIC and the Bank did not receive any complaints regarding the Bank's CRA performance since the previous evaluation.

#### **Community Development Test Rating: Satisfactory**

The Bank's community development performance demonstrates an adequate responsiveness to community development needs of the combined assessment area through community development loans, qualified investments and donations, and community development services. The performance is appropriate considering the institution's capacity and the need and availability of these opportunities within the combined assessment area.

## **SCOPE OF EXAMINATION**

The Division and the FDIC conducted this evaluation jointly. Intermediate Small Bank (ISB) CRA evaluation procedures, as established by the Federal Financial Institutions Examination Council (FFIEC), were used to assess the Bank's CRA performance. ISB Examination Procedures consist of the Lending and Community Development Tests. ISB procedures apply to an institution having total assets greater than \$300 million as of December 31 for the two previous calendar years (2012 and 2013). The evaluation uses the Bank's designated assessment area for the analysis of the Bank's CRA performance.

The Lending Test considers the following criteria:

1. LTD ratio;
2. The proportion of lending within the assessment area;
3. The dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area;
4. The distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and the revenue level of commercial borrowers and the loan amount originated by those businesses; and
5. The Bank's response to CRA-related complaints.

The Community Development Test considers the Bank's community development lending, investment, and service activity.

The Lending Test evaluates the Bank's lending performance in its most significant product line: home mortgage loans reported pursuant to the Home Mortgage Disclosure Act (HMDA). Through a review of the Bank's loan portfolio composition and discussions with management, the Bank's primary lending focus during the evaluation period was determined to be residential lending. Commercial real estate and commercial and industrial loans represented a large percentage of the Bank's loan portfolio; however, small business loans comprised a nominal percentage of total loans and were not included in this CRA evaluation. In addition, consumer lending did not constitute a significant portion of the Bank's loan portfolio, and the Bank did not originate or maintain any small farm loans in portfolio. As a result, this performance evaluation does not contain any analysis of these two loan types.

Data reviewed includes all originated home mortgage loans reported on the Bank's loan application registers (LARs) maintained pursuant to HMDA for 2012 and 2013. The LARs contains data about home purchase and home improvement loans, including refinances of one-to-four family and multifamily properties. The evaluation compares the Bank's 2012 home mortgage lending performance against 2012 aggregate lending data. Aggregate data includes the lending activity of all institutions subject to HMDA reporting within the Bank's assessment area. The evaluation focused on lending performance in 2012, as aggregate data for 2013 was not yet available. The Bank did not purchase any HMDA-reportable loans in 2012 or 2013; therefore, the information relating to aggregate lending does not include purchased loans.

The Community Development Test evaluates the Bank's responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of community development opportunities in the assessment area. The Community Development Test considers community development activities for the period of July 19, 2011, the date of the prior evaluation, through April 21, 2014.

The agencies considered qualified equity investments currently held by the Bank, regardless of the investment date, based on their book values as of March 31, 2014.

For purposes of this evaluation, the Bank is an interstate bank since it maintains banking offices in Massachusetts (MA) and in Rhode Island (RI) (hereafter referred to as the MA and RI assessment areas, respectively). Management has defined separate assessment areas for its MA and RI operations, due to the large geographic distance between branches in MA and RI. The Bank's main office and all branches are located in the Boston–Worcester-Manchester, MA-RI-NH Combined Statistical Area (CSA). This CRA Performance Evaluation evaluates and rates the Bank's CRA performance for these two assessment areas combined, as well as separately. We provide a summary of the Bank's performance in each state in which it maintains branch offices following the Conclusions with Respect to Performance Tests section of this evaluation. The individual state ratings appear in table format in Appendix C.

The supervisory agencies determined the scope and weight of the Bank's performance within each assessment area by considering the volume of HMDA lending and distribution of branches within each area as outlined in **Table 1**. We considered only the Bank's HMDA lending, as the Bank is primarily a residential lender. As a result, a slightly greater weight was given to the Bank's performance within the MA assessment area.

<b>Table 1 - Distribution of Offices and HMDA Loans By Assessment Area</b>					
<b>Assessment Areas</b>	<b>Offices</b>		<b>2013 HMDA Loans</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>% of \$</b>
Massachusetts Assessment Area	5	71	173	56	54
Rhode Island Assessment Area	2	29	136	44	46
<b>Total</b>	<b>7</b>	<b>100</b>	<b>309</b>	<b>100</b>	<b>100</b>

*Source: Bank records and 2013 HMDA LAR*

## **PERFORMANCE CONTEXT**

### **Description of Institution**

Randolph Savings Bank, a MA state-chartered savings bank established in 1851, is a wholly-owned subsidiary of Randolph Bancorp, a one-bank holding company established in 2002. The Bank's corporate headquarters is located in Stoughton, MA.

The Bank operates seven branch offices: five in MA and two in RI. On March 7, 2014, the Bank sold the two RI branches to Bank Newport. The Bank also operates six automated teller machines (ATM) in retail locations in MA. One branch in MA is located in a moderate-income census tract, while the other offices in MA and RI are in middle-income census tracts. The Bank did not open or close any branches during the evaluation review period. In addition, the Bank is a member of the SUM ATM Network (SUM). Banks in the network do not charge customers of any other network member for the use of their ATMs.

The Bank offers a variety of credit and deposit products. The Bank's loan products include residential mortgage loans; home equity loans and lines of credit; construction loans, automobile loans; secured and unsecured personal loans; commercial, investment, and multi-family real estate loans; small business loans; equipment term loans, and business letters of credit. Examples of deposit account offerings include personal, business, and organization checking accounts; statement savings; money market account; Christmas and vacation club accounts; certificates of deposit; and individual retirement accounts. Additionally, the Bank offers payroll and merchant services.

The Bank reported total assets of \$387 million and \$374 million as of December 31, 2012, and 2013, respectively. Total assets have declined from \$376 million as of June 30, 2011, to \$345 million as of March 31, 2014, representing an 8 percent decrease since the prior CRA evaluation. Deposits have decreased from \$321 million to \$295 million, or 8 percent, for the same time-period.

As of March 31, 2014, the Bank's loan portfolio totaled \$216 million. The largest portion of the Bank's loan portfolio consists of loans secured by real estate at 99 percent. Specifically, one-to-four family properties represent 73 percent of total loans and commercial real estate loans represent 23 percent of total loans. There are no legal impediments that would prevent the Bank from helping to meet assessment area needs. **Table 2** shows the distribution of the Bank's loan portfolio as of March 31, 2014.

<b>Table 2 - Loan Distribution as of March 31, 2014</b>		
<b>Loan Type</b>	<b>Dollar Amount (\$'000s)</b>	<b>Percent of Total Loans (%)</b>
Construction and Land Development	0	0
Secured by Farmland	0	0
One-Four Family Residential	156,960	73
Multifamily (5 or More) Residential	3,933	2
Commercial	51,296	24
<b>Total Real Estate Loans</b>	<b>212,189</b>	<b>99</b>
Commercial and Industrial	2,538	1
Agricultural	0	0
Consumer	741	<1
Lease Financing Receivables	0	0
Other	107	<1
Less: Unearned Income	0	0
<b>Total Loans</b>	<b>215,575</b>	<b>100</b>

*Source: Report of Condition*

The Division and the FDIC used ISB CRA Evaluation Procedures to assess the Bank's CRA performance during the previous evaluation, dated July 19, 2011. The Bank received a composite CRA rating of "Satisfactory," receiving a "Satisfactory" rating for both the Lending Test and Community Development Test.

### **Description of Assessment Area**

CRA requires financial institutions to define an assessment area within which they will concentrate their CRA lending efforts and activities. This evaluation considers the institution's CRA performance based on its defined assessment areas. The Bank's assessments are in conformance with the CRA regulation and the Interstate Banking and Branching Efficiency Act, and the assessment areas do not arbitrarily exclude low- or moderate-income census tracts. All demographic indices and statistics presented throughout this evaluation are based on 2010 U.S. Census data, unless otherwise noted.

Based on the Bank's lending market area and branch locations, management designated two assessment areas: the MA assessment area and the RI assessment area. The MA assessment area is composed of ten contiguous municipalities: Avon, Braintree, Canton, Holbrook, Milton, Quincy, Randolph, Sharon, Stoughton, and Weymouth. These ten communities are all in Norfolk County, MA. The MA assessment area is part of the Boston-Quincy, MA Metropolitan Division (MD) #14484. The Boston-Quincy, MA MD is part of the Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area (MSA) #14460. This assessment area is located approximately ten miles south of the City of Boston.

The RI assessment area is located in central RI and is composed of thirteen contiguous municipalities: Coventry, Cranston, East Greenwich, Exeter, Jamestown, Middletown, Newport, North Kingstown, Portsmouth, Providence, Warwick, West Greenwich, and West Warwick. These communities are in Kent, Newport, Providence, and Washington Counties, RI. They are four of the five counties that comprise the Providence-New Bedford-Fall River, RI-MA MSA #39300.

### ***Census Tracts***

The combined assessment area includes 185 census tracts, of which 65 are in the MA assessment area and 120 in the RI assessment area. Based on 2010 U.S. Census data, 16 (9 percent) tracts are low-income, 32 (17 percent) are moderate-income, 83 (45 percent) are middle-income, and 53 (29 percent) are upper-income. In addition, one census tract (less than 1 percent), has an unknown, or NA, income designation.

### ***Population***

The total population of the combined assessment area according to 2010 U.S. Census data is 843,000. The assessment area includes 329,000 households, of which 204,000 are families (one or more persons living in the same household related by birth, marriage, or adoption). The distribution of families within low-, moderate-, middle-, and upper-income tracts is 7 percent, 16 percent, 47 percent, 30 percent, respectively.

### ***Income***

The distribution of families by income reveals that 22 percent earn income at a level that is defined as low-income, 17 percent earn moderate-income, 21 percent earn middle-income, and 40 percent earn upper-income. According to the 2010 U.S. Census data, 8 percent of the families within the Bank's combined assessment area earn less than the poverty level and, consequently, may not be able to sustain a mortgage loan given the median housing value of approximately \$326,000.

Prior to 2012, the HUD adjusted annually the median family income (MFI) based upon the most recent U.S. Census to arrive at an estimate that reflects current economic conditions. Beginning in 2012, FFIEC began calculating the annual MFI, which incorporates the U.S. Census Bureau's American Community Survey (ACS) information.

FFIEC reported the MFI for the Boston-Quincy MD as \$89,000 and \$88,000 for 2012 and 2013, respectively. In addition, FFIEC reported the MFI for the Providence-New Bedford-Fall River, RI-MA MSA as \$76,000 and \$71,000 for 2012 and 2013, respectively. The agencies relied upon this data to determine the distribution of in-area loan originations to borrowers of different income levels.

### ***Housing***

The assessment area contains approximately 359,000 housing units. Of this total, 57 percent are owner-occupied, 35 percent are renter-occupied, and 8 percent are vacant.



## ***Economic Information***

### ***Massachusetts Assessment Area Economic Conditions***

According to the U.S. Bureau of Labor Statistics, the largest employers in the Boston-Quincy, MA MD by industry sector are government and retail trade. Moody's Corporation (Moody's) identifies the top non-governmental employers in the Boston-Quincy-Cambridge, MA MSA as MA General Hospital, Brigham and Women's Hospital, and Boston University.

Moody's reports that the Boston-Quincy-Cambridge, MA MSA's economy regained strength in the second half of 2013 and is working to sustain the recovery. Payroll growth accelerated markedly on strength in professional services and education/healthcare. The public sector is also recording an increase in job growth, due in part to incoming state tax revenues exceeding estimates. Anticipated gains in the healthcare, construction, and high-technology industries are expected to contribute to Boston-Quincy's economic expansion over the next year.

According to the U.S. Bureau of Labor Statistics, unemployment has steadily improved since the previous CRA evaluation. **Table 3** references unemployment data for the municipalities in the MA assessment area.

<b>Table 3 - Massachusetts Assessment Area Unemployment Rates</b>			
<b>Municipality</b>	<b>Annual Unemployment Rate (%)</b>		<b>Unemployment Rate (\$)</b>
	<b>2011</b>	<b>2013</b>	<b>February 2014</b>
Avon	7.8	7.5	7.8
Braintree	6.6	6.3	6.1
Canton	6.2	5.9	5.6
Holbrook	8.0	7.6	7.6
Milton	5.5	5.8	5.1
Quincy	7.0	6.4	5.9
Randolph	7.7	7.6	6.4
Sharon	5.5	5.3	4.9
Stoughton	6.8	6.7	6.4
Weymouth	7.3	6.7	6.6
Commonwealth of MA	6.9	7.1	6.5
United States	8.5	6.7	6.7

*Source: MA Executive Office of Labor and Workforce Development*

### ***Rhode Island Assessment Area Economic Conditions***

According to the U.S. Bureau of Labor Statistics, the largest employers in the Providence-New Bedford-Fall River, RI-MA MSA, by industry sector, are government and retail trade. Moody identifies the top non-governmental employers in the Providence-New Bedford-Fall River, RI-MA MSA as Lifespan, Care New England Health System, and CVS Caremark.

Moody's reports that the Providence-New Bedford-Fall River, RI-MA MSAs economy improved last year, after lagging New England's growth rate for three consecutive years. The City of Providence neared bankruptcy last year, but has achieved a balanced budget. The metropolitan area's median existing single-family home price has increased for four straight quarters and is 10 percent higher than it was a year earlier, while the ratio of inventory to sales has fallen to its

lowest point since 2006. Economists forecast that the MSA will recover slightly faster than the rest of New England, but still slower than the United States over the next two years. The greatest expected risks in the short-term economic outlook are the slower growth in high-skill service employment and state and local government finances.

According to the U.S. Bureau of Labor Statistics, unemployment has improved since the previous CRA evaluation; however, it still exceeds the United States unemployment rate by a significant amount. In addition, Newport and Providence are still experiencing double-digit unemployment. **Table 4** references unemployment data for the municipalities that are in the RI assessment area.

<b>Table 4- Rhode Island Assessment Area Unemployment Rates</b>			
<b>Municipality</b>	<b>Annual Unemployment Rate (%)</b>		<b>Unemployment Rate (\$)</b>
	<b>2011</b>	<b>2013</b>	<b>February 2014</b>
Coventry	10.6	8.4	8.8
Cranston	11.1	8.4	8.7
East Greenwich	10.7	9.5	8.4
Exeter	10.1	8.6	9.0
Jamestown	8.6	7.0	7.7
Middletown	10.3	8.9	9.9
Newport	10.6	9.7	10.4
North Kingstown	9.3	7.7	7.7
Portsmouth	9.8	8.2	9.2
Providence	13.6	11.4	10.7
Warwick	10.3	8.7	8.2
West Greenwich	10.2	8.2	7.8
West Warwick	12.2	10.0	10.5
State of RI	11.2	9.5	9.0
United States	8.5	6.7	6.7

*Source: RI Department of Labor and Training*

### ***Competition***

The Bank operates in a highly competitive environment for home mortgage loans in the combined assessment area. Based upon information reported pursuant to HMDA, 427 financial institutions originated over 31,000 loans totaling \$7.3 billion within the Bank's combined assessment area during 2012. With the exception of RBS Citizens, N.A.; Wells Fargo Bank, N.A.; and Sovereign Bank, N.A., no other lender had more than 4 percent of the home mortgage market according to 2012 HMDA aggregate data. Furthermore, only 25 lenders (6 percent of all lenders) captured more than 1 percent of the market share. These top 25 HMDA reporters by market share collectively originated 57 percent of all originations. The Bank captured 1.5 percent of the market share and ranked 16<sup>th</sup>.

### **COMMUNITY CONTACT**

As part of the evaluation process, third-parties active in community affairs are contacted to assist in assessing the housing and general banking needs of the community. These sources provide relevant information to determine if local financial institutions respond to the credit and service needs of their communities and the opportunities available to them.

The supervisory agencies conducted an interview with a community contact that operates in the MA assessment area. This organization serves low- and moderate-income people to improve the quality of their lives and achieve self-sufficiency. The programs offered by this organization include adult education and workforce development, head start, affordable housing, housing counseling, housing stabilization, financial literacy, and an emergency food center.

The contact indicated the biggest need in the community is financial literacy education, particularly relating to how to establish checking and savings accounts and budgeting. Overall, the contact noted that the large national banks in the assessment area could be more responsive to the credit needs of the community and provide greater participation with this organization in financing initiatives and community programs. The contact further indicated that the smaller community banks provide a great deal of assistance.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

### **LENDING TEST**

The Lending Test considers the institution's performance pursuant to the following criteria: LTD Ratio, Assessment Area Concentration, Borrower Characteristics, Geographic Distribution, and Response to CRA Complaints. Overall, the Bank's performance under the Lending Test is Satisfactory. This rating indicates that the Bank's lending performance demonstrates a reasonable responsiveness to the credit needs of the assessment area.

#### **Loan-to-Deposit Ratio**

An institution can service the credit needs of its community by originating loans. Customer deposits maintained by the institution are the primary funding source of loans. A measurement of how well an institution makes loans in relation to the amount of deposits held is the net LTD ratio.

The Bank's average net LTD ratio, which is in part a gauge of the Bank's lending activity, is reasonable given the institution's size, financial condition, and assessment area credit needs. The average LTD ratio computed for the period since the previous CRA evaluation is 59.3 percent.

The Bank's LTD ratio stood at 71.8 percent as of March 31, 2014. During the evaluation period, the Bank's quarterly net LTD ratio fluctuated from a low of 56.1 percent as of September 30, 2011, to a high of 71.8 percent as of March 31, 2014. The average net LTD was determined by averaging the Bank's 12 quarterly LTD ratios for the period of June 30, 2011, to March 31, 2014.

The Bank's net LTD ratio has steadily risen since December 31, 2012. This is a result of a 13 percent growth in the loan portfolio since the previous evaluation, while deposits have declined by 8 percent. The loan growth resulted from a robust refinance market in 2012 and management's strategic plan to grow the loan portfolio through business development efforts and the hiring of experienced lending management and loan officers.

The Bank sells the majority of residential mortgages to the secondary market to manage interest rate risk. Specifically, the Bank sold 1,123 mortgages totaling \$241.9 million between July 20, 2011 and April 21, 2014. This strategy has a negative effect on the net LTD ratio, as sold loans no longer are included in the LTD calculation.

For the purposes of this evaluation, we compared the Bank's average LTD ratio to two other financial institutions of similar asset size and loan portfolio composition that operate in Southeastern MA. As shown in **Table 5** the Bank placed below the two competitors.

<b>Table 5 -Net Loan-to-Deposit Ratio Comparison</b>				
<b>Bank</b>	<b>Total Assets (\$'000s)</b>	<b>Beginning LTD Ratio (%) (6/30/2011)</b>	<b>Ending LTD Ratio (%) (3/31/2014)</b>	<b>Average Net LTD Ratio (%)</b>
Randolph Savings Bank	345,152	58	72	59
Mansfield Cooperative Bank	422,179	82	92	86
Braintree Cooperative Bank	254,036	67	65	65

*Assets as of March 31, 2014.*

Although the Bank's average net LTD ratio is below of two other similarly situated competitors, the Bank's performance has shown steady improvement over the last five quarters. Given the Bank's performance context, asset size, and assessment area credit needs, the average net LTD ratio is reasonable.

### **Assessment Area Concentration**

We evaluated the Bank's lending performance in the assessment area based on the number and dollar amount of home mortgage loan originations. During 2012 and 2013 combined, the Bank originated a majority of loans inside the combined assessment area by number. In total, the Bank originated 55 percent by number and 52 percent by dollar amount of its loans inside the assessment area.

In 2012, the Bank originated 847 home mortgage loans, of which 460 or 54 percent were inside the combined assessment area. The Bank demonstrated similar performance in 2013, when the Bank originated 309 or 55 percent of its loans within its combined assessment area.

Management plans to redefine the Bank's assessment area, due to the recent sale of the two RI branches. Management expects that the in and out concentration will improve going forward with the newly designated assessment area. Management plans to monitor the activity to ensure that the concentration of lending in the designated assessment area remains satisfactory. In addition, the Bank opened a new loan office in March 2014 in North Attleboro, MA that will serve both MA and RI. **Table 6** shows the distribution of home mortgage loans inside and outside of the assessment area.

<b>Table 6 – Distribution of Loans Inside and Outside of Assessment Area</b>										
<b>Home Mortgage Loans</b>	<b>Number of Loans</b>					<b>Dollar Volume</b>				
	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$(‘000s)</b>	<b>%</b>	<b>\$(‘000s)</b>	<b>%</b>	<b>\$(‘000s)</b>
2012	460	54	387	46	847	98,287	51	94,937	49	193,224
2013	309	56	242	44	551	70,648	54	59,913	46	130,561
<b>Total</b>	<b>769</b>	<b>55</b>	<b>629</b>	<b>45</b>	<b>1,398</b>	<b>168,935</b>	<b>52</b>	<b>154,850</b>	<b>48</b>	<b>324,751</b>

*Source: HMDA Loan Application Register (LAR) (2012 and 2013)*

### **Borrower Profile**

This performance criterion assesses the Bank's performance in addressing the credit needs of low- , moderate- , middle- , and upper-income borrowers, with an emphasis on loans made to low- and moderate-income borrowers. The overall distribution of home mortgage reflects excellent penetration among individuals of different income levels.

**Table 7** reveals the distribution of the Bank's home mortgage loans originated in 2012 and 2013 by borrower income level. We also included the distribution of families based on the income level of the family and aggregate lenders' performance during 2012 for comparison. We included only loans originated within the assessment area.

<b>Table 7 – Distribution of Home Mortgage Loans by Borrower Income Level Combined Assessment Area</b>						
<b>Income Level</b>	<b>% of Total Families</b>	<b>2012 Aggregate Lending Data (% of #)</b>	<b>2012</b>		<b>2013</b>	
			<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	22	6.3	38	8.3	20	6.5
Moderate	17	18.7	93	20.2	72	23.3
Middle	21	25.6	109	23.7	86	27.8
Upper	40	44.1	188	40.9	120	38.8
NA	0	5.3	32	6.9	11	3.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>460</b>	<b>100.0</b>	<b>309</b>	<b>100.0</b>

*Source: U.S. Census (2010), Aggregate Data (2012) and HMDA Loan Application Register (LAR) (2012 and 2013)*

During 2012, the Bank originated 38 home mortgage loans to low-income borrowers, representing eight percent of its overall home mortgage lending. This percentage of lending is higher than the aggregate in 2012, indicating the Bank is responsive to the area's credit needs.

While the number and percentage of loans originated to low-income borrowers decreased from 2012 to 2013, the decrease is slightly less than the 33 percent overall in origination volume. As shown in Table 7, the Bank's percentage of lending to low-income borrowers is considerably less than the 22 percent of low-income families within the Bank's assessment area; however, approximately 8 percent of these families earn incomes below the poverty level. These families most likely could not financially support a home mortgage, considering the median cost of housing within the Bank's assessment area of approximately \$326,000.

In 2012, home loan originations to moderate-income borrowers represented 20 percent of the Bank's total home loan originations. This level of lending compares favorably to both the aggregate and area demographics. In 2013, despite a 33 percent decrease in home lending volume, the percentage of loans the Bank originated to moderate-income borrowers increased.

### **Geographic Distribution**

This performance criterion assesses the Bank's performance in addressing the credit needs of families in low-, moderate-, middle-, and upper-income census tracts. The Bank's geographic distribution of home mortgages reflects a reasonable dispersion throughout the assessment area considering the assessment area demographics, the location of the Bank's branches, and area competition.

**Table 8** illustrates the geographic distribution of home mortgage loans within the assessment area during 2012 and 2013. For comparison, we have included demographic data showing the distribution of owner-occupied housing units within the different income level census tracts, as well as aggregate lenders' performance in 2012.

<b>Table 8 – Distribution of Home Mortgage Loans by Census Tract Income Level Combined Assessment Area</b>						
<b>Census Tract Income Level</b>	<b>% of Total Owner- Occupied Housing Units</b>	<b>2012 Aggregate Lending Data (% of #)</b>	<b>2012</b>		<b>2013</b>	
			<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	3	2.2	8	1.7	10	3.2
Moderate	12	8.3	28	6.1	17	5.5
Middle	51	46.9	264	57.4	180	58.3
Upper	34	42.6	160	34.8	102	33.0
<b>Total</b>	<b>100</b>	<b>100.0</b>	<b>460</b>	<b>100.0</b>	<b>309</b>	<b>100.0</b>

*Source: U.S. Census Data (2010), Aggregate Data (2012) and HMDA LAR (2012 and 2013)*

During 2012, the Bank originated eight home mortgage loans in low-income geographies, representing 2 percent of its overall home mortgage lending. As shown in Table 8, this percentage of lending mirrors the aggregate and is comparable to the distribution of owner-occupied units in the assessment area. In 2013, the Bank's overall lending volume declined, but the both the number and percentage of loans in low-income tracts increased slightly.

With regard to lending in the moderate-income geographies, the Bank's 2012 penetration percentages slightly lags that of the aggregate. The Bank's 2013 performance reflects similar penetration as 2012, despite a decrease in overall lending activity.

## **RESPONSE TO CRA RELATED COMPLAINTS**

The Bank has not received any CRA-related complaints during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

The Community Development Test evaluates the institution's community development loans, qualified investments, and community development services. We evaluated the adequacy of the Bank's responsiveness to assessment area community development needs based on the Bank's capacity for community development activities, the need for community development activities within the assessment area, and the availability of community development opportunities in the assessment area. As a bank subject to ISB Evaluation Procedures, the Bank has the flexibility to allocate its resources among community development loans, qualified investments, and community development services in amounts that it reasonably determines are most responsive to community development needs and opportunities.

Community development activities include any of the following:

- Affordable housing (including multifamily rental housing) for low- or moderate-income individuals;
- Community services targeted to low- or moderate-income individuals;
- Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1.0 million or less;
- Activities that revitalize or stabilize low- or moderate-income tracts, designated disaster

areas, or distressed or underserved non-metropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC, and Office of the Comptroller of the Currency; or

- Loans, investments, and services that support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008, Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by HUD in accordance with the Neighborhood Stabilization Program.

The Bank's community development performance demonstrates an adequate responsiveness to the community development needs in its combined assessment area through community development loans, qualified investments and donations, and community development services, considering the Bank's performance context, capacity and the need and availability of such opportunities for community development in the assessment area.

### **Community Development Loans**

During the evaluation period, the Bank extended six community development loans, totaling **\$8.8 million** during the evaluation period within the combined assessment area. Community development loans extended during the evaluation period represent 4.3 percent of net loans as of March 31, 2014. Summarized in **Table 9** are the qualified community development loans by community development category and year. We detail information relating to the investments and donations under the applicable assessment area.

<b>Table 9</b> <b>Qualified Community Development Loans \$('000s)</b> <b>Combined Assessment Area</b>										
<b>Community Development Category*</b>	<b>2011**</b>		<b>2012</b>		<b>2013</b>		<b>2014***</b>		<b>Total</b>	
	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing	0	-	0	-	0	-	1	476	1	476
Community Services	0	-	0	-	0	-	0	-	0	-
Revitalize or Stabilize	0	-	0	-	0	-	0	-	0	-
Economic Development	1	208	4	8,115	0	-	0	-	5	8,323
<b>Total</b>	<b>1</b>	<b>208</b>	<b>4</b>	<b>8,115</b>	<b>0</b>	<b>-</b>	<b>1</b>	<b>476</b>	<b>6</b>	<b>8,799</b>

Source: Internal bank records; \*As defined by the CRA; \*\*Extended since the date of the previous CRA evaluation; \*\*\*Extended through the date of the current CRA evaluation

### **Community Development Investments and Donations**

The Bank made donations through the Bank and the Peter T. Pastore Jr. Charitable Foundation (Foundation). In 2007, the Bank provided the funds to establish the Foundation in honor of former Randolph Savings Bank Executive Vice President Peter T. Pastore, Jr. The mission of the Foundation is to provide financial support to non-profit, charitable organizations to enhance the quality of life in communities serviced by the Bank. As part of the transaction with Bank Newport and the RI branch offices, the Bank transferred the obligation to fund the Foundation to Bank Newport.

The Bank and the Foundation and provided approximately \$123,000 in qualifying monetary contributions to community development organizations since the previous CRA evaluation. The total amount of qualified CRA grants and donations made by the Bank and the Foundation



represented 67 percent of the Bank's and the Foundation's total contributions of \$184,000. As of March 31, 2014, securities totaled \$83 million or 24 percent of total assets. These new qualified investments and donations comprise 0.04 percent and 0.15 percent of the Bank's total assets and securities portfolio, respectively. We detail information relating to the investments and donations under the applicable assessment area.

There have been no new investments since the last evaluation. In 2006, the Bank invested in Access Capital Strategies Community Investment Fund, Inc. (ACSCIF). The ACSCIF is a Securities and Exchange Commission-registered fund structured as a business development corporation. The primary purpose of the fund is to provide a secondary market and financing vehicle for community development loans. The fund invests in private placement debt securities that support affordable housing, education, small business loan securitizations, and other job creating investments within a target region specified by the investing institution. As of March 31, 2014, the current book value of this investment was \$548,000. This represents 0.1 percent of total assets and 0.6 percent of total investments as of March 31, 2014.

**Table 10** illustrates the qualified community development grants and donations provided by the Bank during the evaluation period by source and year. **Table 11** details the Bank's and the Foundation's qualified community development grants and donations by community development category and year within the combined assessment areas.

<b>Table 10</b> <b>Qualified Community Development Grants and Donations</b> <b>Combined Assessment Area</b>					
	<b>2011**</b>	<b>2012</b>	<b>2013</b>	<b>2014***</b>	<b>Total</b>
Randolph Savings Bank	\$21,603	\$30,389	\$19,350	\$3,300	\$74,642
The Foundation	\$6,000	\$12,000	\$12,000	\$18,000	\$48,000
<b>Total Donations</b>	<b>\$27,603</b>	<b>\$42,389</b>	<b>\$31,350</b>	<b>\$21,300</b>	<b>\$122,642</b>
Pre-tax Net Operating Income (NOI)	\$368,000 ****	\$2,273,000	-\$4,443,000	-\$199,285 *****	-\$2,001,285
<b>Donations/Pre-Tax NOI</b>	<b>0.8%</b>	<b>1.9%</b>	<b>-0.7%</b>	<b>-1.6%</b>	<b>-0.7%</b>
Number of Organizations Benefiting from Donations	20	23	20	5	68

Source: Internal bank records and Call Report data; \*As defined by the CRA; \*\*Extended since the date of the previous CRA evaluation; \*\*\*Extended through the date of the current CRA evaluation; \*\*\*\*Represents net income earned during the last two quarters of 2011 \*\*\*\*\*Represents net income earned during the first quarter of 2014

<b>Table 11</b> <b>Qualified Community Development Grants and Donations</b> <b>Combined Assessment Area</b>										
<b>Community Development Category*</b>	<b>2011**</b>		<b>2012</b>		<b>2013</b>		<b>2014***</b>		<b>Total</b>	
	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing	0	-	3	1,200	3	3,400	0	-	6	4,600
Community Services	30	27,603	45	41,189	36	27,950	5	21,300	116	118,042
Revitalization/Stabilization	0	-	0	-	0	-	0	-	0	-
Economic Development	0	-	0	-	0	-	0	-	0	0
<b>Total</b>	<b>30</b>	<b>27,603</b>	<b>48</b>	<b>42,389</b>	<b>39</b>	<b>31,350</b>	<b>5</b>	<b>21,300</b>	<b>122</b>	<b>122,642</b>

Source: Internal Bank Records; \*As defined by the CRA; \*\*Extended since the date of the previous CRA evaluation; \*\*\*Extended through the date of the current CRA evaluation

## **Community Development Services**

A number of officers and employees provide technical assistance to organizations that promote community development and economic revitalization within low- and moderate-income areas or to low- and moderate-income individuals. The community groups served includes economic development and housing-related organizations, and organizations providing services targeted to low- and moderate-income individuals. We outline examples of such qualified organizations under the applicable assessment area.

### **Branch (including other facilities if applicable) and Services Distribution**

#### *Branch Distribution*

The Bank operates seven full-service branches, five in MA and two in RI. The Bank's main office is located at 129 North Main Street in Randolph, MA. The Bank's corporate office and lending center are located in Stoughton, MA. In addition to the main office, the branches in MA are located in Holbrook, Randolph, and Stoughton (2). The branches in RI are located in Coventry and Cranston. As previously indicated, the Bank sold the two RI branches on March 7, 2014. **Table 12** summarizes the distribution of the Bank's offices and ATMs by the census tract income-level, as well as the distribution of total census tracts in the assessment areas by income level and the distribution of the assessment area's population by census tract income-level.

<b>Table 12</b>						
<b>Distribution of Branches and ATMs</b>						
<b>Combined Assessment Area</b>						
<b>Census Tract Income</b>	<b>% of Tracts</b>	<b>% of Population</b>	<b>Branches</b>		<b>ATMs</b>	
			<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	9	8	0	0	0	0
Moderate	17	17	1	14	1	13
Middle	45	46	6	86	7	87
Upper	29	29	0	0	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>8</b>	<b>100</b>

*Source: D&B data and internal bank records*

As the data in Table 12 shows, all but one of the Bank's branch offices are located in middle-income census tracts. In addition to having ATMs at each branch office and one at the Bank's lending center, ATMs are located at six remote locations in MA. These ATMs are available for cash withdrawals only. They are located in the following places: Stoughton Town Spa, Stoughton; Bob's Food Mart, Stoughton; IKEA Furniture Store, Stoughton; Page's Foodmart, Stoughton; Springdale Variety, Canton; and The Country Store, Foxboro.

#### *Services Distribution*

A review of the Bank's services by branch location revealed no inconsistencies by location. Regardless of location, all of the Bank's branches had relatively consistent branch hours, the same type and number of products and services offered, and ATM availability.

## **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The concurrent compliance examination did not identify any substantive violations of antidiscrimination laws, including the Fair Housing Act and Equal Credit Opportunity Act. There was no evidence of discriminatory or other illegal credit practices identified that were inconsistent with helping to meet community credit needs.

# STATE OF MASSACHUSETTS

**STATE CRA RATING: The institution rating is Satisfactory.**

**The Lending Test rating is Satisfactory.**

**The Community Development Test rating is Satisfactory.**

The Bank has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income individuals and neighborhoods, in a manner consistent with its resources and capabilities. We based the Bank's overall rating in the MA assessment area on the following findings:

- Given the demographics of the MA assessment area and product lines offered, the distribution of home mortgage reflects excellent penetration among borrowers of different income levels and businesses of different sizes.
- The geographic distribution of home mortgage loans reflects a reasonable dispersion throughout the MA assessment area.
- The Bank's community development performance demonstrates an adequate responsiveness to community development needs of the MA assessment area through community development loans, qualified investments, and community development services. The performance is appropriate considering the institution's capacity and the need and availability of these opportunities within the MA assessment area.

## SCOPE OF EXAMINATION

We based the Bank's lending performance in the MA assessment area upon a full-scope review of the Bank's operations in MA. The evaluation places a slightly greater weight on the Bank's performance within MA when arriving at the overall rating, as the Bank has a slightly higher concentration of home mortgages and majority of its branches in MA. The time period and the lending products covered are the same as those identified under the Scope of Examination section on page 3.

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MA ASSESSMENT AREA

The Bank has one assessment area in MA. The MA assessment area is comprised of ten contiguous municipalities: Avon, Braintree, Canton, Holbrook, Milton, Quincy, Randolph, Sharon, Stoughton, and Weymouth. These ten communities are all in Norfolk County, MA. The MA assessment area is part of the Boston-Quincy, MA MD. The Bank operates five branches and one loan office in the MA assessment area.

### Description of Assessment Area

#### Census Tracts

The MA assessment area includes 65 census tracts. Based on 2010 U.S. Census data, 2 (3 percent) tracts are low-income, 7 (11 percent) are moderate-income, 37 (57 percent) are middle-income, and 19 (29 percent) are upper-income.

## **Population**

The total population of the MA assessment area according to 2010 U.S. Census data is 322,000. The assessment area includes 128,000 households, of which 81,000 are families (one or more persons living in the same household related by birth, marriage, or adoption). The distribution of families within low-, moderate-, middle-, and upper-income tracts is 2 percent, 9 percent, 59 percent, 30 percent, respectively.

## **Income**

The distribution of families by income reveals that 19 percent earn income at a level that is identified as low-income, 17 percent earn moderate-income, 22 percent earn middle-income, and 42 percent earn upper-income. According to the 2010 U.S. Census data, 5 percent of the families within the Bank's combined assessment area earn less than the poverty level and may not be able to sustain a mortgage loan given the median housing value of approximately \$370,000.

## **Housing**

The assessment area contains approximately 134,000 housing units. Of this total, 63 percent are owner-occupied, 32 percent are renter-occupied, and 5 percent are vacant.

## **Competition**

The Bank operates in a highly competitive environment for home mortgage loans in the MA assessment area. Based upon information reported pursuant to HMDA, 358 financial institutions originated over 15,000 loans totaling \$3.9 billion within the Bank's MA assessment area during 2012. With the exception of Mortgage Master, Inc.; Wells Fargo Bank, N.A.; and RBS Citizens, N.A., no other lender had more than 4 percent of the home mortgage market according to HMDA aggregate data. Furthermore, only 25 lenders (7 percent of all lenders) captured more than 1 percent of the market share. These top 25 HMDA reporters by market share collectively originated 58 percent of all originations. The Bank captured 1.6 percent of the market share and ranked 15<sup>th</sup>.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

### **LENDING TEST**

The Bank's performance under the Lending Test in the MA assessment area is consistent with its overall lending performance and commensurate with the breadth of the Bank's operations in the assessment area.

### **Borrower Profile**

The distribution of home mortgage loans reflects excellent penetration among individuals of different income levels. **Table 13** reveals the distribution of the Bank's home mortgage loans originated in 2012 and 2013 by borrower income level. For comparison, we have included data that shows the distribution of families according to the income level of the family and the aggregate lenders' performance during 2012. We have included only loans originated within the assessment area.

<b>Table 13 – Distribution of Home Mortgage Loans by Borrower Income Level Massachusetts Assessment Area</b>						
<b>Income Level</b>	<b>% of Total Families</b>	<b>2012 Aggregate Lending Data (% of #)</b>	<b>2012</b>		<b>2013</b>	
			<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	19	5.6	30	12.0	13	7.5
Moderate	17	19.4	69	27.6	51	29.4
Middle	22	27.8	64	25.6	52	30.1
Upper	42	43.0	75	30.0	52	30.1
NA	0	4.2	12	4.8	5	2.9
<b>Total</b>	<b>100</b>	<b>100.0</b>	<b>250</b>	<b>100.0</b>	<b>173</b>	<b>100.0</b>

*Source: U.S. Census (2010), Aggregate Data (2012) and HMDA Loan Application Register (LAR) (2012 and 2013)*

During 2012, lending to low-income borrowers represented 12 percent of the Bank's total home mortgage lending in this assessment area. This performance is double that of the aggregate, indicating excellent responsiveness to the credit needs of this assessment area. In 2013, the Bank's overall lending volume declined, as well as the percentage of loan originations to low-income borrowers. While the Bank's percentage of lending to low-income borrowers is considerably less than the 19 percent of low-income families within the Bank's assessment area, approximately 5 percent of these families earn incomes below the poverty level. These families most likely could not financially support a home mortgage, considering the median cost of housing within the Bank's assessment area of approximately \$370,000.

In 2012, lending to moderate-income borrowers represented 28 percent of the Bank's overall home mortgage lending. This performance notably exceeds both the aggregate's performance and area demographics. While the Bank's overall lending volume declined in 2013, the percentage of home mortgage loans originated to moderate-income borrowers increased slightly, further demonstrating the Bank's responsiveness to the credit needs of the area's moderate-income borrowers.

## **Geographic Distribution**

The geographic distribution of the Bank's home mortgages reflects a reasonable dispersion throughout the Bank's MA assessment area considering the assessment area demographics, the location of the Bank's branches, and area competition. **Table 14** illustrates the geographic distribution of home mortgage loans within the MA assessment area during 2012 and 2013. For comparison, we have included demographic data that shows the distribution of owner-occupied housing units within the different income level census tracts, as well as aggregate lenders' performance in 2012. We only considered the geographic distribution of home mortgages originated within the assessment area.

<b>Table 14 – Distribution of Home Mortgage Loans by Census Tract Income Level Massachusetts Assessment Areas</b>						
<b>Census Tract Income Level</b>	<b>% of Total Owner- Occupied Housing Units</b>	<b>2012 Aggregate Lending Data (% of #)</b>	<b>2012</b>		<b>2013</b>	
			<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	1	1.1	2	0.8	1	
Moderate	8	6.2	15	6.0	9	
Middle	58	52.0	178	71.2	125	
Upper	33	40.7	55	22.0	38	
<b>Total</b>	<b>100</b>	<b>100</b>	<b>250</b>	<b>100</b>	<b>173</b>	<b>100</b>

*Source: U.S. Census (2010), Aggregate Data (2012) and HMDA Loan Application Register (LAR) (2012 and 2013)*

During 2012, the Bank's record of lending in the area's low-income census tracts mirrored that of the aggregate and the distribution of owner-occupied housing units, reflecting the Bank's responsiveness to meeting the area's credit needs. In 2013, the Bank's overall lending volume declined, but the percentage of the Bank's home mortgage loan originations in low-income geographies remained steady.

With regard to the Bank's performance in the area's moderate-income census tracts, 2012 performance was consistent with both the aggregate and the area demographics. Both overall lending volume and lending in the area's moderate-income census tracts declined in 2013; however, the percentage of loans originated in the moderate-income geographies remained fairly steady.

## **COMMUNITY DEVELOPMENT TEST**

The Bank's performance under the Community Development Test in the MA assessment area is consistent with its overall performance. During the review period, the Bank originated six community development loans totaling \$4.9 million within the MA assessment area. The Bank's community development performance demonstrates an adequate responsiveness to the community development needs in the MA assessment area through community development loans, qualified investments, and community development services, considering the Bank's capacity and the need and availability of such opportunities for community development in the assessment area.

## **Community Development Loans**

The following provides information regarding the six community development loans the Bank targeted to this particular assessment area:

- The Bank extended six community development loans totaling \$8.3 million under the Small Business Administration (SBA) Community Development Company (CDC) 504 loan program which is designed to encourage economic development within a community by providing small businesses with long-term, fixed-rate financing to acquire fixed assets (such as real estate or equipment) for expansion or modernization.
- The Bank refinanced a multi-family loan for \$476,000 secured by a five-unit apartment building located in Rockland, MA. The property contains two two-bedroom apartment units with monthly rental costs ranging from \$300 to \$600, two three-bedroom units, and one four-bedroom unit. The South Shore, Brockton, and Plymouth Housing Authorities subsidize the rent on four units. The rent paid by the tenant ranges from \$46 per month to \$368 per month for these four units. The Housing Authorities pay the remainder of the monthly rent on these four units. The borrower rents the fifth unit at market rates.

## **Community Development Investments and Donations**

The Bank continues to hold an investment in ACSCIF. As of March 31, 2014, the current book value is \$548,000.

The Bank also made contributions totaling \$64,000 to 43 community development organizations in this assessment area. Table 15 details the Bank's qualified community development grants and donations by community development category and year within the MA assessment area.

<b>Table 15</b> <b>Qualified Community Development Grants and Donations</b> <b>Massachusetts Assessment Area</b>										
<b>Community Development Category*</b>	<b>2011**</b>		<b>2012</b>		<b>2013</b>		<b>2014***</b>		<b>Total</b>	
	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing for Low- and Moderate-Income Individuals	0	-	3	1,200	2	3,300	0	-	5	4,500
Community Services Targeted to Low- and Moderate-Income Individuals	26	20,743	40	24,579	32	13,350	3	1,300	101	59,972
Revitalize or Stabilize Low- and Moderate-Income Geographies	0	-	0	-	0	-	0	-	0	-
Activities that Promote Economic Development	0	-	0	-	0	-	0	-	0	0
<b>Total</b>	<b>26</b>	<b>20,743</b>	<b>43</b>	<b>25,779</b>	<b>34</b>	<b>16,650</b>	<b>3</b>	<b>1,300</b>	<b>106</b>	<b>64,472</b>

Source: Internal Bank Records; \*As defined by the CRA; \*\*Extended since the date of the previous CRA evaluation; \*\*\*Extended through the date of the current CRA evaluation

Examples of the types of organizations that the Bank made donations include the following:

- **Interfaith Social Services** - The mission of this organization is to strengthen family life and assist anyone in need. Founded in 1947, this organization provides professional counseling, foster care and financial assistance to children, food pantries, assistance and homeless prevention to families and individuals in emergency situations, a thrift shop that provides clothing and household items, as well as professional attire for low-income job seekers. The majority of the clients are low- and moderate-income.
- **STARS** - STARS provides comprehensive early education and youth programs that enhance the development of children from economically and culturally diverse families through collaboration with parents, schools, and communities. The majority of the clients are low- and moderate-income.
- **Habitat for Humanity of Weymouth** - This non-profit, Christian housing organization seeks to eliminate poverty and homelessness, and to provide affordable housing.
- **DOVE, Inc.** – This multi-service organization specializes in domestic violence and teen dating violence. They provide outreach programs to families and communities regarding the issue of domestic violence. The organization also provides support crisis intervention, safety assessment and planning support, education, legal and civilian advocacy services and community outreach and prevention efforts for low-income, vulnerable, and underserved victims.
- **Evelyn House** – The Evelyn House provides emergency shelter, long-term housing, and programs to move people out of temporary shelters and into a home of their own.
- **My Brothers Keeper** – This non-profit, Christian organization provides furniture and food for those families in need.
- **Randolph Elder Affairs** - This non-profit organization's mission is to promote and maintain an optimal level of elder independence through the coordination of resources, advocacy and caregiver support. The majority of the clients are low- and moderate-income.
- **School on Wheels of Massachusetts** - The mission of School on Wheels of Massachusetts is to educate children impacted by homelessness by providing academic support and one-on-one mentoring so children can reach their full potential.

### **Community Development Services**

A number of directors, officers and employees provide technical assistance to organizations that promote community development services and economic revitalization within low- and moderate-income areas or to low- and moderate-income individuals. We provide a summary of some of the community development services that Bank employees provided since the previous evaluation below:

- A Bank director serves on the Board of the **Institute for Responsible Housing Preservation** (Institute). The Institute represents owners' views before HUD in implementing affordable housing programs, submitting detailed recommendations on all



HUD proposed regulations and issuance, and maintaining a constant liaison with key HUD officials to present the owners' perspectives on proposed administrative changes.

- A Bank director serves on the Board of the **National Leased Housing Association (NLHA)**. This organization represents all major private and public participants in the affordable multi-family rental housing industry. NLHA is a vital and effective advocate for 550 housing provider organizations and their consultants, specializing in federally assisted rental housing.
- A Bank director member serves on the Board of **SAGE Housing**. This organization is an advocate for affordable housing for senior citizens.
- A Bank director serves as a Board member of **Rodman Ride for Kids**. The Rodman Ride for Kids is an umbrella matching gift charity, raising funds for youth-focused social service agencies that support at-risk children in Massachusetts.
- A branch manager serves on the Board and the Fundraising and Hiring Committees of the **Randolph Community Partnership, Inc. (RCP)**. RCP is a non-profit organization that provides educational opportunities and services to residents of Randolph and the surrounding areas. The Massachusetts Department of Elementary and Secondary Education and the federal government fund these programs through grants.

The Bank annually teaches financial literacy classes at the RCP. The RCP bases these classes on the FDIC's Money Smart program with topics ranging from different types of bank accounts, aspects of developing good credit, the importance of protecting your identity, and benefits and costs of credit, debit, and ATM cards.

- A branch manager serves as President of the Board and another branch manager serves as vice president and on the Fundraising Committee of the **Food Pantry Foundation of Stoughton**. This organization targets community services to low- and moderate-income individuals. The organization offers community based childcare, educational, health, and social services.
- A vice president serves on the Money Management Advisory Board of **Old Colony Elder Services**. The Massachusetts Money Management Program (MMMP) helps vulnerable, low-income elders. The program seeks to protect elders who may be at risk of losing their independence due to their inability to pay basic rent, food, and utility bills. Volunteers visit elders in their homes at least monthly and assist seniors by establishing budgets, organizing mail, writing checks, and balancing checkbooks.
- Employees participate in the **Savings Makes "Cents"** financial literacy program. Saving Makes "Cents" is a program for elementary school children which focuses on the basics of money management. Local schools and banks work together to teach children basic monetary concepts, including how to open a savings account, the origin of money and basic budgeting skills. The State Treasurer's office provides an educational curriculum taught by classroom teachers and bank representatives. A Bank representative works with the teacher to establish opportunities for students to open savings accounts and make deposits right at their school.

- Employees present financial education seminars in partnership with the **Brockton Housing Partnership**. These presentations are in conjunction with the Credit for Life Fair at Massasoit Community College. The Fair teaches students the basics of housing, employment, transportation, insurance, and credit that they will need when the students complete their education.
- Employees participate in the Credit Millionaire Game at Randolph High School sponsored by the **Randolph Banking Collaborative** (Collaborative). The Collaborative is a group of local community banks that come together to provide financial literacy to young adults about credit and basic banking information, as well as adults about the home buying process and taking care of your credit.

#### *Services Distribution*

A review of the Bank's services by branch location revealed no inconsistencies by location. Regardless of location, all of the Bank's branches had relatively consistent branch hours, the same type and number of products and services offered, and ATM availability.

#### **Branch (including other facilities if applicable) and Services Distribution**

#### *Branch Distribution*

The Bank operates five full-service branches in MA. The Bank's main office is located at 129 North Main Street in Randolph, MA. The Bank's corporate office and lending center are located in Stoughton, MA. In addition to the main office, the branches in MA are located in Holbrook, Randolph, and Stoughton (2). **Table 16** below summarizes the distribution of the Bank's offices and ATMs by the census tract income-level compared with the distribution of total census tracts in the assessment areas by income level and the distribution of the assessment areas population by census tract income-level.

<b>Table 16</b> <b>Distribution of Branches and ATMs</b> <b>Massachusetts Assessment Area</b>						
<b>Census Tract Income</b>	<b>% of Tracts</b>	<b>% of Population</b>	<b>Branches</b>		<b>ATMs</b>	
			<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	3	2	0	0	0	0
Moderate	11	9	1	20	1	17
Middle	57	60	4	80	5	83
Upper	29	29	0	0	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>5</b>	<b>100</b>	<b>6</b>	<b>100</b>

Source: D&B data and internal bank records

As the data in Table 16 shows, all but one of the Bank's branch offices are located in middle-income census tracts. In addition to having ATMs at each branch office and one at the Bank's lending center, ATMs are located at six remote locations in MA. These ATMs are available for cash withdrawals only. They are located in the following places: Stoughton Town Spa, Stoughton; Bob's Food Mart, Stoughton; IKEA Furniture Store, Stoughton; Page's Foodmart, Stoughton; Springdale Variety, Canton; and The Country Store, Foxboro

#### *Services Distribution*

A review of the Bank's services by branch location revealed no inconsistencies by location. Regardless of location, all of the Bank's branches had relatively consistent branch hours, the same type and number of products and services offered, and ATM availability.

## STATE OF RHODE ISLAND

**STATE CRA RATING: The institution rating is Satisfactory.**

**The Lending Test rating is Satisfactory.**

**The Community Development Test rating is Satisfactory.**

The Bank has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income individuals and neighborhoods, in a manner consistent with its resources and capabilities. We based the Bank's overall rating in the RI assessment area on the following findings:

- Given the demographics of the RI assessment area and product lines offered, the distribution of home mortgage reflects a reasonable penetration among borrowers of different income levels and businesses of different sizes
- The geographic distribution of home mortgage loans reflects a reasonable dispersion throughout the RI assessment area.
- The Bank's community development performance demonstrates an adequate responsiveness to community development needs of the RI assessment area through community development loans, qualified investments, and community development services. The performance is appropriate considering the institution's capacity and the need and availability of these opportunities within the RI assessment area.

### SCOPE OF EXAMINATION

We based the Bank's lending performance in the RI assessment area upon a full-scope review of the Bank's operations in RI. The evaluation places less weight on the Bank's performance within RI when arriving at the overall rating, as the Bank has slightly smaller concentration of home mortgages in RI and fewer offices. The time-period and the lending products covered are the same as those identified under the Scope of Examination section on page 3.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE RHODE ISLAND ASSESSMENT AREA

The Bank has one assessment area in RI. The RI assessment area is located in central RI and is comprised of thirteen contiguous municipalities: Coventry, Cranston, East Greenwich, Exeter, Jamestown, Middletown, Newport, North Kingstown, Portsmouth, Providence, Warwick, West Greenwich, and West Warwick. These communities are in Kent, Newport, Providence, and Washington Counties, RI. They are four of the five counties that comprise the Providence-New Bedford-Fall River, RI-MA MSA #39300. The Bank operates two branch offices in the RI assessment area. As previously indicated, the Bank sold the two branch offices on March 7, 2014.

## **Description of Assessment Area**

### **Census Tracts**

The RI assessment area includes 120 census tracts. Based on 2010 U.S. Census data, 14 (12 percent) tracts are low-income, 25 (21 percent) are moderate-income, 46 (38 percent) are middle-income, and 34 (28 percent) are upper-income. In addition, one census tract (1 percent) has an unknown income designation.

### **Population**

The total population of the RI assessment area according to 2010 U.S. Census data is 521,000. The assessment area includes 201,000 households, of which 123,000 are families (one or more persons living in the same household related by birth, marriage, or adoption). The distribution of families within low-, moderate-, middle-, and upper-income tracts is 11 percent, 20 percent, 39 percent, 30 percent, respectively.

### **Income**

The distribution of families by income reveals that 24 percent earn income at a level that is defined as low-income, 17 percent earn moderate-income, 20 percent earn middle-income, and 39 percent earn upper-income. According to the 2010 U.S. Census data, 10 percent of the families within the Bank's combined assessment area earn less than the poverty level and may not be able to sustain a mortgage loan given the median housing value of approximately \$300,000.

### **Housing**

The assessment area contains approximately 225,000 housing units. Of this total, 54 percent are owner-occupied, 36 percent are renter-occupied, and 10 percent are vacant.

### **Competition**

The Bank operates in a highly competitive environment for home mortgage loans in the RI assessment area. Based upon information reported pursuant to HMDA, 253 financial institutions originated approximately 16,000 loans totaling \$3.4 billion within the Bank's RI assessment area during 2012. With the exception of RBS Citizens, N.A.; Pawtucket Credit Union; Wells Fargo Bank, N.A.; Sovereign Bank, N.A.; and JPMorgan Chase Bank, N.A., no other lender had more than 4 percent of the home mortgage market according to HMDA aggregate data. Furthermore, only 29 lenders (12 percent of all lenders) captured more than 1 percent of the market share. These top 29 HMDA reporters by market share collectively originated 76 percent of all originations. The Bank captured 1.3 percent of the market share and ranked 23<sup>rd</sup>.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

### **LENDING TEST**

The Bank's performance under the Lending Test in the RI assessment area is consistent with its overall lending performance commensurate with the breadth of the Bank's operations in the assessment area.

### **Borrower Profile**

The distribution of home mortgage loans reflects adequate distribution among individuals of different income levels. **Table 17** reveals the distribution of the Bank's home mortgage loans originated in 2012 and 2013 by borrower income level. For comparison, we have included demographic data showing the distribution of families according to the income level of the family and aggregate lenders' performance during 2012. We have included only loans originated within the assessment area.

<b>Table 17 – Distribution of Home Mortgage Loans by Borrower Income Level Rhode Island Assessment Area</b>						
<b>Income Level</b>	<b>% of Total Families</b>	<b>2012 Aggregate Lending Data (% of #)</b>	<b>2012</b>		<b>2013</b>	
			<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Low</b>	24.0	7.1	8	3.9	7	3.9
<b>Moderate</b>	17.0	18.0	24	11.4	21	11.4
<b>Middle</b>	20.0	23.4	45	21.4	34	21.4
<b>Upper</b>	39.0	45.2	113	53.8	68	53.8
<b>NA</b>	0	6.3	20	9.5	6	9.5
<b>Total</b>	<b>100.0</b>	<b>100</b>	<b>210</b>	<b>100.0</b>	<b>136</b>	<b>100.0</b>

*Source: U.S. Census (2010), Aggregate Data (2012) and HMDA Loan Application Register (LAR) (2012 and 2013)*

During 2012, the home mortgage loan originations to low-income borrowers represented 4 percent of total in-area originations. Despite an overall decline in lending volume in 2013, the bank's performance with regard to the area's low-income borrowers remained steady. The Bank's performance in both years compares unfavorably to area demographics; however, according to the 2010 U.S. Census, approximately 10 percent of the area's low-income families earn incomes below the poverty level. These families most likely could not financially support a home mortgage, considering the median cost of housing within the Bank's assessment area of approximately \$300,000.

As shown in Table 17, the Bank's performance with respect to moderate-income borrowers compared unfavorably to area demographics and aggregate distribution levels. However, performance remained steady from 2012 to 2013, and the percentage of home loans originated to moderate-income borrowers increased in 2013. Given the size of the Bank's operations in this assessment area and the highly competitive market, the Bank's performance in this factor is considered adequate.

## **Geographic Distribution**

The Bank's geographic distribution of home mortgages reflects a reasonable dispersion throughout the Bank's MA assessment area considering the assessment area demographics, the location of the Bank's branches, and area competition. **Table 18** illustrates the geographic distribution of home mortgage loans within the MA assessment area during 2012 and 2013. For comparison, we have included demographic data that shows the distribution of owner-occupied housing units within the different income level census tracts, as well as aggregate lenders' performance in 2012. We only considered the geographic distribution of home mortgages originated within the assessment area.

<b>Table 18 – Distribution of Home Mortgage Loans by Census Tract Income Level- Rhode Island Assessment Area</b>						
<b>Census Tract Income Level</b>	<b>% of Total Owner- Occupied Housing Units</b>	<b>2012 Aggregate Lending Data (% of #)</b>	<b>2012</b>		<b>2013</b>	
			<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	4.4	3.1	6	2.8	9	6.6
Moderate	14.7	10.3	13	6.2	8	5.8
Middle	45.1	42.1	86	41.0	55	40.4
Upper	35.8	44.5	105	50.0	64	47.1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>250</b>	<b>100.0</b>	<b>136</b>	<b>100.0</b>

*Source: U.S. Census (2010), Aggregate Data (2012) and HMDA Loan Application Register (LAR) (2012 and 2013)*

During 2012, 3 percent of the Bank's lending in this assessment area was in low-income census tracts. This performance mirrored that of the aggregate and was comparable to area demographics. In 2013, despite an overall decrease in lending activity, the Bank's lending to the low-income geographies increased.

The Bank's performance with regard to lending in the area's moderate-income tracts compares somewhat unfavorably to area demographics and the aggregate. However, it is noted that the percentage of total loans originated in these moderate-income geographies remained steady from 2012 to 2013, despite a 46 percent decline in total in-area lending.

## COMMUNITY DEVELOPMENT TEST

The Bank's performance under the Community Development Test in the RI assessment area is consistent with its overall performance. The Bank's community development performance demonstrates an adequate responsiveness to the community development needs in the RI assessment area through qualified investments and community development services, considering the Bank's capacity and the need and availability of such opportunities for community development in the assessment area.

### Community Development Loans

During the evaluation period, the Bank did not extend any qualified community development loans in the RI assessment area.

### Community Development Investments and Donations

The Bank made contributions totaling \$59,000 to 43 community development organizations in this assessment area. **Table 19** details the Bank's qualified community development grants and donations by community development category and year within the RI assessment area.

<b>Table 19</b> <b>Qualified Community Development Grants and Donations</b> <b>Rhode Island Assessment Area</b>										
<b>Community Development Category*</b>	<b>2011**</b>		<b>2012</b>		<b>2013</b>		<b>2014***</b>		<b>Total</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
Affordable Housing	0	-	0	-	1	100	0	-	1	100
Community Services	4	6,860	5	16,610	4	14,600	2	20,000	15	58,070
Revitalization/Stabilization	0	-	0	-	0	-	0	-	0	-
Economic Development	0	-	0	-	0	-	0	-	0	0
<b>Total</b>	<b>4</b>	<b>6,860</b>	<b>5</b>	<b>16,610</b>	<b>5</b>	<b>14,700</b>	<b>2</b>	<b>20,000</b>	<b>16</b>	<b>58,170</b>

Source: Internal Bank Records; \*As defined by the CRA; \*\*Extended since the date of the previous CRA evaluation; \*\*\*Extended through the date of the current CRA evaluation

Examples of the types of organizations to which the Bank made donations include the following:

- **VNA of RI** - VNA provides a full continuum of home and hospice care. Its bridge program from palliative to hospice is one of the few in the State. The Bank tailored its donation to services for low- to moderate-income clients.
- **Cranston High School** – The Bank provided a college scholarship to a high achieving high school student from a low- or moderate-income family.
- **Coventry Welfare Agency** – This agency is part of the Federal Department of Health and Human Services. The welfare agency is the United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves.

## **Community Development Services**

A number of directors, officers and employees provide technical assistance to organizations that promote community development services and economic revitalization within low- and moderate-income areas or to low- and moderate-income individuals. We provide a summary of some of the community development services that Bank employees provided since the previous evaluation below:

- A Bank director and a senior manager served on the Board of the **Peter Pastore Foundation**. The mission of Foundation is to provide financial support to non-profit, charitable organizations that specifically serve disadvantaged youths.
- A VP serves on the Management Committee of the **Ocean State Business Development Authority (OSBDA)**. The OSBDA's mission is to assist RI businesses in securing financing that will help them become more competitive in the marketplace. OSBDA issues debentures sold in the private bond market to fund the SB 504 loan program. The U.S. Small Business Administration fully guarantees the bonds.
- An employee serves on the Fundraising Committee of the **Domestic Violence Resource Center of Newport County**. This organization provides advocacy, education, and support services to empower individuals and the community impacted by domestic violence.

### *Services Distribution*

A review of the Bank's services by branch location revealed no inconsistencies by location. Regardless of location, all of the Bank's branches had relatively consistent branch hours, the same type and number of products and services offered, and ATM availability.

## **Branch (including other facilities if applicable) and Services Distribution**

### *Branch Distribution*

The Bank operates two full-service branches in RI. The branches are located in Coventry and Cranston. **Table 20** summarizes the distribution of the Bank's offices and ATMs by the census tract income-level compared with the distribution of total census tracts in the assessment areas by income level and the distribution of the assessment areas population by census tract income-level.

<b>Table 20</b>						
<b>Distribution of Branches and ATMs</b>						
<b>Rhode Island Assessment Area</b>						
<b>Census Tract Income</b>	<b>% of Tracts</b>	<b>% of Population</b>	<b>Branches</b>		<b>ATMs</b>	
			<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	12	12	0	0	0	0
Moderate	21	22	0	0	0	0
Middle	38	37	2	100	2	100
Upper	28	29	0	0	0	0
NA	1	0	0	0	0	0
Total	100	100	2	100	2	100

Source: D&B data and internal bank records



As the data in Table 20 shows, both of Bank's RI branch offices are located in middle-income census tracts.

### *Services Distribution*

A review of the Bank's services by branch location revealed no inconsistencies by location. Regardless of location, all of the Bank's branches had relatively consistent branch hours, the same type and number of products and services offered, and ATM availability.

## **APPENDIX A**

### **Fair Lending Policies and Procedures**

The Division reviewed the Bank's fair lending performance to determine how it relates to the guidelines established by Regulatory Bulletin 1.3-106, the Division's Community Reinvestment and Fair Lending Policy. Based upon the review of the Bank's public comment file and its performance relative to fair lending policies and practices, we identified no violations of anti-discrimination laws and regulations.

The Bank has adequate policies and procedures in place to ensure compliance. Management subjects each of its lending policies to an annual review, with the board approving any subsequent revisions as needed. The Bank performs ongoing HMDA monitoring to ensure accuracy of the data. In addition, the Bank performs an internal fair lending review. The Bank engages a third party auditor to complete a fair lending review annually.

#### **Minority Application Flow**

According to the 2010 U.S. Census Data, the Bank's assessment area in 2012 contained a total population of 843,269 individuals of which 28.5 percent are minorities. The assessment areas racial and ethnic minority population is 6.7 percent Asian, 7.2 percent Black/African American, 11.5 percent Hispanic, 0.3 percent American Indian, and 2.8 percent other race.

For 2012 and 2013, the Bank received 1,090 HMDA-reportable loan applications from within its assessment area. Of these applications, racial minority persons applied for 123 or 11.3 percent, of which 81 or 67.0 percent resulted in originations. Of the remaining 42 applications, 4 were approved not accepted, 14 were denied and 24 were withdrawn applications. For the same time-period, the Bank received 22 applications from ethnic minorities of Hispanic origin and 15 applications resulted in originations. Of the remaining seven applications, three resulted in denials and applicants withdrew four.

The Bank's level of lending was compared with the aggregate's lending performance level for 2012, the most recent year for which data was available. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants.

The Bank's performance exceeded the 2012 aggregate performance level for racial minority applicants. In 2012, the Bank received 11.4 percent of its applications from racial minorities, while the aggregate was at 9.8 percent. In 2012, the Bank's ethnic minority application flow was below the aggregate 1.0 percent while the aggregate was at 3.6 percent.

In 2013, the percentage of applications from the Bank for both racial minority groups remained the same, while the percentage of applications from ethnic groups of Hispanic origin increased from 1.0 percent to 3.3 percent.

MINORITY APPLICATION FLOW					
RACE	Bank 2012		Aggregate 2012	Bank 2013	
	Amount	%	(%)	Amount	%
American Indian/ Alaska Native	1	0.2	0.1	1	0.2
Asian	25	4.1	5.7	19	3.8
Black/ African American	34	5.7	2.9	33	6.7
Hawaiian/Pac Isl.	1	0.2	0.1	0	0.0
2 or more Minority	1	0.2	0.1	0	0.0
Joint Race (White/Minority)	6	1.0	0.9	2	0.4
<b>Total Minority</b>	<b>68</b>	<b>11.4</b>	<b>9.8</b>	<b>55</b>	<b>11.1</b>
White	488	81.9	69.0	390	79.0
Race Not Available	40	6.7	21.2	49	9.9
<b>Total</b>	<b>596</b>	<b>100.0</b>	<b>100.0</b>	<b>494</b>	<b>100.0</b>
<b>ETHNICITY</b>					
Hispanic or Latino	4	0.7	2.9	15	3.1
Not Hispanic or Latino	548	92.0	75.7	431	87.2
Joint (Hisp./Lat /Not Hisp/Lat)	2	0.3	0.7	1	0.2
Ethnicity Not Available	42	7.0	20.7	47	9.5
<b>Total</b>	<b>596</b>	<b>100.0</b>	<b>100.0</b>	<b>494</b>	<b>100.0</b>

Source: U.S. Census (2010), Aggregate Data (2012) and LARs (2012 and 2013)

Since the previous evaluation, the number of applications received from both racial and ethnic minorities has doubled in volume. Overall, we consider the rate of applications received from minority applicants as good.

**APPENDIX B**  
**Summary of State and Multistate Metropolitan Area Ratings**

<b>State or Multistate Metropolitan Area Name</b>	<b>Lending Test Rating</b>	<b>Community Development Test Rating</b>	<b>Overall State Rating</b>
Massachusetts	Satisfactory	Satisfactory	Satisfactory
Rhode Island	Satisfactory	Satisfactory	Satisfactory

## **PERFORMANCE EVALUATION DISCLOSURE GUIDE**

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and the Federal Deposit Insurance Corporation, at 10 Cabot Place, Stoughton, MA 02072."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.